

Asset Misappropriation Subcategories

With nearly 90% of occupational frauds involving some form of asset misappropriation, the report further examined the methods employees used to embezzle organizational assets. ACFE grouped asset misappropriation schemes into nine subcategories.

Category	Description	Examples	Cases Reported	Percentage of All Cases ¹	Median Loss
SCHEMES INVOLVING THEFT OF CASH RECEIPTS					
Skimming	Any scheme in which cash is stolen from an organization <i>before</i> it is recorded on the organization's books and records	<ul style="list-style-type: none"> Employee accepts payment from a customer, but does not record the sale, and instead pockets the money 	267	14.5%	\$60,000
Cash Larceny	Any scheme in which cash is stolen from an organization <i>after</i> it has been recorded on the organization's books and records	<ul style="list-style-type: none"> Employee steals cash and checks from daily receipts before they can be deposited in the bank 	181	9.8%	\$100,000
SCHEMES INVOLVING FRAUDULENT DISBURSEMENTS OF CASH					
Billing	Any scheme in which a person causes his or her employer to issue a payment by submitting invoices for	<ul style="list-style-type: none"> Employee creates a shell company and bills employer for services not 	479	26.0%	\$128,000

¹ The sum of percentages in this table exceeds 100% because several cases involved asset misappropriation schemes from more than one category.

	fictitious goods or services, inflated invoices or invoices for personal purchases	<p>actually rendered</p> <ul style="list-style-type: none"> Employee purchases personal items and submits invoice to employer for payment 			
Expense Reimbursements	Any scheme in which an employee makes a claim for reimbursement of fictitious or inflated business expenses	<ul style="list-style-type: none"> Employee files fraudulent expense report, claiming personal travel, nonexistent meals, etc. 	278	15.1%	\$33,000
Check Tampering	Any scheme in which a person steals his or her employer's funds by intercepting, forging or altering a check drawn on one of the organization's bank accounts	<ul style="list-style-type: none"> Employee steals blank company checks, makes them out to himself or herself or an accomplice Employee steals outgoing check to a vendor, deposits it into his or her own bank account 	247	13.4%	\$131,000
Payroll	Any scheme in which an employee causes his or her employer to issue a payment by making false claims for	<ul style="list-style-type: none"> Employee claims overtime for hours not worked Employee adds ghost employees to 	157	8.5%	\$72,000

	compensation	the payroll			
Cash Register Disbursements	Any scheme in which an employee makes false entries on a cash register to conceal the fraudulent removal of cash	<ul style="list-style-type: none"> Employee fraudulently voids a sale on his or her cash register and steals the cash 	55	3.0%	\$23,000
OTHER ASSET MISAPPROPRIATION SCHEMES					
Cash on Hand Misappropriations	Any scheme in which the perpetrator misappropriates cash kept on hand at the victim organization's premises	<ul style="list-style-type: none"> Employee steals cash from a company vault 	121	12.6%	\$35,000
Noncash Misappropriations	Any scheme in which an employee steals or misuses noncash assets of the victim organization	<ul style="list-style-type: none"> Employee steals inventory from a warehouse or storeroom Employee steals or misuses confidential customer financial information 	156	16.3%	\$100,000